

BEGIN — FEBRUARY 1, 1959

30.24-6021

A70

(140) *Soviet Premier*
MOSCOW, FEB. 1 (AP)-PRAVDA TODAY GAVE NEW DETAILS IN THE KREMLIN'S CAMPAIGN AGAINST ITS SO-CALLED ANTI PARTY OPPONENTS. THE COMMUNIST PARTY NEWSPAPER REPORTED THEY PLANNED TO TAKE OVER THE SOVIET GOVERNMENT ON JUNE 18, 1957.

QUOTING FROM A SPEECH BEFORE THE CURRENT COMMUNIST PARTY CONGRESS BY ALEXEI KIRICHENKO, A PRESIDIUM MEMBER CLOSE TO KHRUSHCHEV, PRAVDA SAID THE ANTI PARTY MOVE WAS QUASHED BY A QUICK MEETING OF THE PARTY'S CENTRAL COMMITTEE ONLY FOUR DAYS BEFORE THE TAKEOVER DATE.

AN EARLIER SUMMARY OF KIRICHENKO'S SPEECH, ISSUED YESTERDAY BY THE SOVIET NEWS AGENCY TASS, DID NOT GO INTO DETAILS.

THE AGENCY REPORTED HE HAD ATTACKED THE ANTI PARTY GROUP, WHICH NOW INCLUDES FORMER PREMIER NIKOLAI BULGANIN, FORMER FOREIGN MINISTERS V. M. MOLOTOV AND DMITRI SHEPILOV, FORMER PREMIER GEORGI MALENKOV AND FORMER ECONOMIC BOSS LAZAR KAGANOVICH. ALL HAVE BEEN MOVED TO JOBS IN REMOTE PLACES.

KIRICHENKO, A KHRUSHCHEV PROTEGE WHO FORMERLY SERVED AS PARTY CHIEF IN THE SOVIET PREMIER'S NATIVE UKRAINE, NOW IS A FULL MEMBER OF THE PRESIDIUM. HE GAVE A CHRONOLOGY THAT BEGAN WITH THE RETURN OF KHRUSHCHEV AND BULGANIN FROM A TRIP TO FINLAND ON JUNE 14.

THE CENTRAL COMMITTEE FORMALLY BEGAN ITS MEETING JUNE 22 AND ENDED JUNE 29. THEN CAME THE ANNOUNCEMENT BY THE COMMITTEE OF THE DISGRACE OF THE FOUR LEADERS. BULGANIN WAS NOT DOWNGRADED UNTIL LATER.

KIRICHENKO SAID ANTI PARTY LEADERS BEGAN TRYING TO SUBVERT THE LENIN PATH IMMEDIATELY AFTER THE DEATH OF STALIN. HE ALSO CHARGED THEY TRIED TO FRUSTRATE THE BUILDING UP OF THE ARMED FORCES.

PRAVDA QUOTED KIRICHENKO AS SAYING: "AT ALMOST EVERY MEETING OF THE PRESIDIUM AND CENTRAL COMMITTEE THEY ATTACKED EVERYTHING NEW . . . BUT ESPECIALLY THEY TOOK UP ARMS AND FURIOUSLY BEGAN TO ATTACK THE GENERAL LINE OF THE PARTY. AFTER THE 20TH CONGRESS (IN 1956), THE ANTI PARTY GROUP DROPPED THE MASK AND ON JUNE 18, 1957, IN AN ORGANIZED MANNER MOVED AGAINST THE COURSE SET BY THE 20TH PARTY CONGRESS--THAT IS AT THE TIME WHEN THEIR PARTICIPANTS COUNTED THEIR FORCES IN THE PRESIDIUM OF THE CENTRAL COMMITTEE, WHEN THEY ARRIVED AT THE CONCLUSION THEY MIGHT COMMAND FORCES TO CHANGE THE POLICY OF THE PARTY AND THE GOVERNMENT."

KIRICHENKO ADDED "IT IS KNOWN HOW IT ENDED....THE VILENESS OF THESE SPINTERING POLITICAL DOUBLECROSSERS AND THE EVIL OF THE ROAD THEY TOOK BECOMES CLEARER.

"...EVERYBODY KNOWS HOW THESE CONTEMPTIBLE DOGMATICS, SITTING UP TO THEIR EARS IN CONSERVATISM, ACTED. THEY OPERATED WITH TENTACULARLY SELECTED QUOTATIONS NOT SUSPECTING HOW FAR THEY WERE FROM THE MARX-LENIN LINE FROM LIFE AND FROM THE PEOPLE."

"IT IS SAID THEY PICKED QUOTATIONS FROM BOOKS, HAD A HEAD FULL OF QUOTATIONS, BUT DID NOT KNOW WHAT QUOTATIONS TO USE WHEN THEY MET A SITUATION NOT DESCRIBED IN THE BOOKS."

RS558PES

A55

BY HAROLD K. MILKS (320)
MOSCOW, FEB. 1 (AP)-ANASTAS I. MIKOYAN SAYS HE OFFERED TO EXPORT UNLIMITED QUANTITIES OF VODKA TO THE UNITED STATES DURING HIS TALKS IN WASHINGTON.

PRAVDA, THE COMMUNIST NEWSPAPER, TODAY PUBLISHED THE FULL REPORT OF THE FIRST DEPUTY PREMIER TO THE 21ST CONGRESS OF THE SOVIET COMMUNIST

PARTY YESTERDAY.

VODKA IS ONE PRODUCT THE SOVIET UNION CAN EASILY SPARE "NOW THAT OUR OWN CONSUMPTION HAS BEEN DRastically REDUCED," TRADER MIKOYAN SAID. "I NOTICED THEY (THE UNITED STATES) ARE MAKING THEIR OWN VODKA BUT ADVERTISING IT AS RUSSIAN VODKA WITHOUT ASKING US FOR A LICENSE," HE ADDED.

HE SAID C. DOUGLAS DILLON, UNDERSECRETARY OF STATE FOR ECONOMIC AFFAIRS, TO WHOM HE MADE THE OFFER, "REGRETFULLY TOLD ME THE AMERICAN PRODUCT WAS NOT AS GOOD AS OURS."

MIKOYAN DECLARED SECRETARY OF STATE DULLES SENT DILLON AND UNDERSECRETARY OF STATE ROBERT MURPHY OVER THE SAME ROUTE COVERED BY MIKOYAN'S U.S. TOUR TO "WIPE OUT THE FAVORABLE IMPRESSIONS I LEFT" IN TALKS WITH LOCAL BUSINESSMEN AND OTHER LEADERS.

HE SAID THIS WAS A "COLD WAR MOVE" IN WHICH FORMER PRESIDENT HARRY TRUMAN ALSO APPEARED TO BE INVOLVED. HE SAID TRUMAN WAS ACTIVELY OPPOSED TO ANY THAW IN THE COLD WAR, AND "ACCUSED AMERICAN BUSINESSMEN OF GIVING ME TOO WARM A RECEPTION."

(THERE WAS NO IMMEDIATE COMMENT FROM DILLON OR MURPHY IN WASHINGTON.)

(DURING HIS VISIT TO THIS COUNTRY MIKOYAN VISITED DETROIT AND HAD LUNCHE WITH A NUMBER OF PROMINENT BUSINESS LEADERS. AT THAT TIME MIKOYAN PRESSED HIS DRIVE FOR MORE TRADE WITH THE UNITED STATES.

(SUBSEQUENTLY MURPHY MADE A SPEECH TO THE ECONOMIC CLUB OF DETROIT IN WHICH HE CAUTIONED BUSINESS LEADERS AGAINST BELIEVING THAT THE VISIT OF MIKOYAN WOULD SUDDENLY OPEN THE WAY TO LARGE SCALE RUSSIAN-AMERICAN TRADE.

(DILLON IN A SPEECH THE FOLLOWING DAY, JAN. 27, TO THE MISSISSIPPI VALLEY WORLD TRADE COUNCIL AT NEW ORLEANS, CHALLENGED RUSSIA TO PROVE IT REALLY WANTS TRADE.

(MIKOYAN LAID DOWN "AN ABSOLUTE PRECONDITION TO INCREASED TRADE," DILLON SAID, THAT THE UNITED STATES SHOULD UNDERWRITE SUCH TRADE WITH A LONG-TERM CREDIT. DILLON DESCRIBED THIS AS RIDICULOUS.

(INSTEAD OF WORKING TO RAISE SOVIET LIVING STANDARDS DILLON SAID, RUSSIA HAS MADE EXTENSIVE CREDITS AVAILABLE IN A TRADE-AID DRIVE "TO PENETRATE, AND EVENTUALLY CAPTURE, THE NEWLY DEVELOPING COUNTRIES OF ASIA, AFRICA AND LATIN AMERICA."

(DILLON ALSO SAID HE TOLD MIKOYAN THAT IF RUSSIA WANTED MORE CREDIT FROM THE UNITED STATES, IT SHOULD PAY UP FOR EXAMPLE THE \$2,600,000,000 STILL OWED FOR CIVILIAN GOODS LEND-LEASED DURING WORLD WAR II.)

MURPHY AND DILLON WERE SO UNSUCCESSFUL IN THEIR ATTEMPTS TO REVIVE COLD WAR THINKING, MIKOYAN SAID, THAT "DULLES WAS FORCED TO JOIN THEM WITH HIS HEAVY ARTILLERY." NEVERTHELESS, HE DECLARED, "MANY TEETH HAVE BEEN BEATEN OUT OF THE COLD WAR IN THE UNITED STATES."

THE DEPUTY PREMIER TOLD THE CONGRESS YESTERDAY HE DEDUCED FROM HIS TALKS WITH U.S. GOVERNMENT LEADERS THAT THEY WERE "DISPOSED TO FOLLOW A POLICY OF PEACEFUL COEXISTENCE" BUT THAT DULLES HAD MADE LATER STATEMENTS WHICH WERE NOT IN ACCORD WITH WHAT HE HAD SAID TO MIKOYAN.

MIKOYAN COMPLAINED THAT U.S. OFFICIALS SOUGHT TO LINK UP BUSINESS MATTERS WITH "QUESTIONS OF CURRENT INTERNATIONAL POLICY LIKE THE FAR EAST AND BERLIN QUESTIONS--BUT YOU CAN'T BUY OR SELL THE FAR EAST OR BERLIN. THE SOVIET UNION IS READY TO SIT DOWN WITH THE UNITED STATES IN A BUSINESSLIKE MANNER TO AGREE ON A CONCRETE PROGRAM OF MUTUAL DELIVERIES FOR A PERIOD OF THREE, FIVE OR EVEN SEVEN YEARS UNDER NORMAL BUSINESS CONDITIONS."

SZ431PES

B10WX Q

(400) ADVANCE FOR 630 PM EST TODAY

(ADVANCE) WASHINGTON, FEB. 1 (AP)-PREMIER NIKITA KHRUSHCHEV'S CLAIM THAT RUSSIA WILL SURPASS THE UNITED STATES IN PER CAPITA OUTPUT BY 1970 WAS TERMED PREPOSTEROUS TODAY BY A NATIONAL PLANNING ASSN. ANALYST.

THE SOVIET GOALS FOR THE NEXT SEVEN YEARS--THROUGH 1965--ARE NOT OUTLANDISH, SAID ECONOMIST JOEL DARMSTADTER IN AN ARTICLE IN NPA'S MONTHLY BULLETIN. BUT HE SAID KHRUSHCHEV'S PROJECTION FOR THE FOLLOWING FIVE YEARS WAS BASED MORE ON PROPAGANDA THAN ON ECONOMICS.

DARMSTADTER SAID TOTAL RUSSIAN PRODUCTION HAS BEEN INCREASED ABOUT TWICE AS FAST AS AMERICAN OUTPUT SINCE WORLD WAR II--ABOUT 6 PER CENT COMPARED WITH 3 PER CENT--AND THE GAP BETWEEN LIVING STANDARDS IN NARROWING SOMEWHAT MORE SLOWLY.

"HOWEVER, COMPLETE EQUALITY IN THESE AREAS MAY NOT BE ACHIEVED WITHIN THE FORESEEABLE FUTURE," HE CONCLUDED. RUSSIA, HE SAID, IS FACING SOME FORMIDABLE OBSTACLES IN THE NEXT FEW YEARS.

DARMSTADTER IS ENGAGED ON AN NPA RESEARCH PROJECT ON THE ECONOMICS OF COMPETITIVE COEXISTENCE. THE NPA IS A RESEARCH AND PLANNING ORGANIZATION PRIVATELY SUPPORTED BY ITS MEMBERS IN THE FIELDS OF BUSINESS, LABOR AND THE PROFESSIONS AND BY SOME FOUNDATION GRANTS.

THE STUDY SAID KHRUSHCHEV'S RECENT REPORT TO THE COMMUNIST PARTY'S CENTRAL COMMITTEE "CALLS FOR SOBER REFLECTION, NOT FOR OUTRIGHT DISBELIEF OR UNDUE ANXIETY."

THE RUSSIAN PREMIER SAID THAT THE SOCIALIST COUNTRIES WILL SURPASS THE INDUSTRIAL OUTPUT OF THE REST OF THE WORLD BY 1965; THAT RUSSIA BY THAT TIME WILL BE OUTPRODUCING THE UNITED STATES IN "THE MOST IMPORTANT TYPES OF GOODS;" AND THAT WITHIN THE FOLLOWING FIVE YEARS RUSSIA WILL HAVE TAKEN FIRST PLACE NOT ONLY IN ACTUAL PRODUCTION BUT IN OUTPUT PER CAPITA.

DARMSTADTER SAID THE RECENT SOVIET GROWTH RATES BRINGS KHRUSHCHEV'S FORECASTS FOR 1965 WITHIN THE RANGE OF POSSIBILITY. HE NOTED SOME OBSTACLES, HOWEVER--LABOR IS BECOMING SCARCE, NATURAL RESOURCES ARE REMOTE AND REQUIRE GREATER CAPITAL INVESTMENT TO EXPLOIT THEM, AND AGRICULTURE REMAINS A WEAK LINK IN THE SOVIET PRODUCTIVE CHAIN.

"THE BASIS FOR THE PREDICTION THAT THE SOVIET UNION WILL SURPASS THE PER CAPITA OUTPUT OF THE UNITED STATES DURING THE PERIOD 1965-70 IS... QUITE INCOMPREHENSIBLE," THE REPORT SAID.

"THE SOVIET UNION COULD MATCH THE U. S. TOTAL OUTPUT ONLY ON THE ASSUMPTION THAT THE UNITED STATES FAILS TO GROW ITSELF.

"A REASONABLE FULL-EMPLOYMENT GROWTH RATE WILL KEEP U. S. GROSS NATIONAL PRODUCT COMFORTABLY AHEAD OF THE SOVIET UNION'S DURING THE NEXT 15 YEARS.

"THE SOVIET CLAIM OF EXCEEDING U. S. PER CAPITA OUTPUT WITHIN FIVE YEARS AFTER 1965 IS THEREFORE PREPOSTEROUS."

END ADVANCE FOR 630 PM EST TODAY
GG347PES

A107 (300)

BY ANTOINE YARED

CAIRO, EGYPT, FEB. 1 (AP)-DELEGATIONS FROM 33 COUNTRIES, COLONIES AND TERRITORIES OF ASIA AND AFRICA POURED INTO CAIRO TODAY FOR AN ASIAN-AFRICAN YOUTH CONFERENCE, WHICH BEGINS TOMORROW ON A KEYNOTE OF POSITIVE NEUTRALITY.

MORE DELEGATIONS ARE EXPECTED TO ARRIVE BEFORE THE FIRST MEETING TOMORROW, WHICH WILL BE ATTENDED BY PRESIDENT NASSER-IDOL OF NATIONALIST YOUTH FROM MOROCCO TO INDONESIA.

THE CONFERENCE LEADERS HAVE DONE THEIR BEST TO KEEP THE CONFERENCE "POSITIVELY NEUTRAL," NOT LEANING TOO FAR TO THE EAST OR THE WEST. THEY HAVE INSISTED THAT WHEREVER POSSIBLE DELEGATIONS FROM INDIVIDUAL COUNTRIES REPRESENT ALL POLITICAL VIEWS.

CONSPICUOUSLY ABSENT ARE DELEGATES FROM INDONESIA, THE COUNTRY IN WHICH WAS FOSTERED THE ORIGINAL ASIAN-AFRICAN CONFERENCE AT BANDUNG. INDONESIAN YOUTH ORGANIZATIONS HAVE CABLED THE ASIAN-AFRICAN SECRETARIAT THEY ARE NOT SENDING A DELEGATION. THERE IS A SUSPICION HERE THE INDONESIANS ARE STAYING AWAY BECAUSE OF THE PRESENCE OF A SOVIET DELEGATION.

INDONESIANS INSIST ONLY GENUINE ASIAN-AFRICAN COUNTRIES BE REPRESENTED, ACCORDING TO THE BANDUNG DEFINITION. IN INDONESIAN EYES THE SOVIET UNION IS A EUROPEAN POWER AND SHOULD NOT TAKE PART IN SUCH CONFERENCES.

A SUDANESE DELEGATION IS PARTICIPATING DESPITE OBJECTIONS FROM ITS GOVERNMENT. THE MOROCCAN DELEGATION PROTESTED THE PRESENCE OF A MAURITANIAN DELEGATION SINCE, THEY ARGUED, MAURITANIA IS PART OF MOROCCO. IN THE END IT DECIDED THE MAURITANIANS COULD REMAIN AS A SEPARATE DELEGATION.

IN ADDITION TO DELEGATIONS FROM COUNTRIES, SIX INTERNATIONAL ORGANIZATIONS HAVE SENT OBSERVERS: UNESCO, THE ARAB BOY SCOUTS' OFFICE, INTERNATIONAL WOMEN'S FEDERATION, INTERNATIONAL PEACE COUNCIL, DEMOCRATIC YOUTH COUNCIL AND ARAB LEAGUE.

RUNNING CONCURRENTLY WITH THE WEEK-LONG CONFERENCE WILL BE A MAMMOTH YOUTH FESTIVAL IN WHICH 15,000 WILL TAKE PART. THE CONFERENCE IS ORGANIZED BY THE ASIAN-AFRICAN SOLIDARITY SECRETARIAT AND THE UNITED ARAB REPUBLIC'S YOUTH WELFARE LEAGUE.

PS725PES

A53WX

(650)

ECONOMIC NATO

BY STERLING F. GREEN
WASHINGTON, FEB. 1 (AP)-A PROPOSAL THAT THE NORTH ATLANTIC TREATY ORGANIZATION COUNTRIES SET UP AN "ECONOMIC NATO" HAS GAINED SUPPORT IN SOME ADMINISTRATION QUARTERS.

THE PURPOSE WOULD BE TO HARDEN WESTERN DEFENSES AGAINST SOVIET ECONOMIC WARFARE BY IMPOSING TIGHTER RESTRICTIONS ON TRADE WITH THE COMMUNIST BLOC.

IT WOULD MEAN HALTING, IF NOT REVERSING THE POLICY HERE AND IN EUROPE OF CAUTIOUSLY RELAXING EXPORT CURBS ON SHIPMENTS BEHIND THE IRON CURTAIN.

WORD OF THE PROPOSAL CAME PRIVATELY FROM A HIGH ADMINISTRATION SOURCE. THIS OFFICIAL INDICATED THAT THE APPEALS OF RUSSIA'S FIRST DEPUTY PREMIER, ANASTAS I. MIKOYAN, FOR EXPANSION OF TRADE WITH THE COMMUNIST COUNTRIES DID NOT THAW THE ATTITUDE OF OFFICIAL WASHINGTON DURING HIS VISIT HERE LAST MONTH.

WHETHER THE STATE DEPARTMENT WOULD EMBRACE THE IDEA SEEMED DEBATABLE. ITS FEASIBILITY APPEARED DOUBTFUL TO ONE DEPARTMENT OFFICIAL WHO NOTED THAT THIS COUNTRY'S EUROPEAN ALLIES HAVE RESISTED AMERICAN PROPOSALS THAT THEY PUT FURTHER CURBS ON THEIR TRADE WITH THE COMMUNISTS.

BUT THE INTEREST SHOWN IN THE ECONOMIC NATO IDEA ELSEWHERE IN THE GOVERNMENT REINFORCED THE IMPRESSION THAT THE ADMINISTRATION IS DEEPLY CONCERNED WITH DEVELOPING SOME NEW TECHNIQUES TO COUNTER RUSSIA'S EFFECTIVE USE OF TRADE, FOREIGN CREDITS AND ECONOMIC PENETRATION. OTHER FACTORS INCLUDED:

1. A SUBCOMMITTEE OF PRESIDENT EISENHOWER'S NATIONAL SECURITY COUNCIL REPORTEDLY IS MAKING A CRITICAL REVIEW OF LAST FALL'S DECISION TO RELAX SLIGHTLY THE CONTROLS ON EXPORTS TO COMMUNIST COUNTRIES.

2. ADVOCATES OF A TIGHTENING, RATHER THAN A LOOSENING OF CONTROLS, HAVE GAINED A CABINET ALLY IN THE NEW SECRETARY OF COMMERCE, LEWIS L. STRAUSS. STRAUSS AND C. DOUGLAS DILLON, UNDERSECRETARY OF STATE FOR ECONOMIC AFFAIRS, CLASHED SHARPLY WITH MIKOYAN ON THE QUESTION OF EXPANDING EAST-WEST TRADE IN THEIR INTERVIEWS WITH THE RUSSIAN VISITOR HERE. MIKOYAN COMPLAINED OF WHAT HE CALLED THE UNBENDING ATTITUDE OF

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WASHINGTON'S OFFICIALDOM.
3. THE WHITE HOUSE HAS JUST RECEIVED FROM THE COMMERCE DEPARTMENT'S BUSINESS ADVISORY COUNCIL--A BODY OF SOME 150 TOPFLIGHT INDUSTRIALISTS AND FINANCIERS--A SPECIAL REPORT REQUESTED BY EISENHOWER ON HOW AMERICAN BUSINESS CAN BE ENLISTED IN THE U. S. COUNTER OFFENSIVE AGAINST RUSSIA'S ECONOMIC STRATEGY.

INFORMANTS SAID THE ECONOMIC NATO IDEA CAME FROM BUSINESS SOURCES, BUT NOT THROUGH THE BUSINESS ADVISORY COUNCIL.

DETAILS OF THE PROPOSAL WERE SKETCHY. THIS MUCH CAME FROM AN OFFICIAL WHO VOLUNTEERED THAT THE IDEA INTERESTED HIM.

THE AIM WOULD BE TO TIGHTEN THE EXISTING LOOSE AND VOLUNTARY ARRANGEMENTS BY WHICH THE WESTERN COUNTRIES COLLABORATE ON EXPORT CURBS. A 15-NATION COORDINATING COMMITTEE PROVIDES A FORUM FOR AGREEMENT ON PREVENTING THE SHIPMENT OF WAR-POTENTIAL GOODS TO IRON CURTAIN COUNTRIES.

THIS COMMITTEE CONFERRED IN PARIS LAST SUMMER AND PRODUCED SOME MODERATE RELAXATIONS OF CONTROLS. THE UNITED STATES WAS THE LAST OF THE 15 TO ANNOUNCE ANY CHANGES AND MADE THE SMALLEST CONCESSIONS.

EVEN THESE ARE UNSATISFACTORY TO SOME OFFICIALS HERE. THE LATTER CONTEND THAT THIS COUNTRY'S EFFORTS TO WITHHOLD EXPORTS WHICH MIGHT STRENGTHEN THE SOVIET MUNITIONS POTENTIAL ARE NULLIFIED WHEN RUSSIA CAN GET THE EMBARGOED GOODS FROM ONE OR MORE OF THE ALLIES.

THE ECONOMIC NATO WAS DESCRIBED AS A DEVICE BY WHICH WESTERN COUNTRIES COULD BE COMMITTED TO HOLD A COMMON POSITION AND, PRESUMABLY, TO GIVE THEIR EXPORT POLICIES THE FORCE OF TREATIES.

THIS MIGHT BE DONE, INFORMANTS SUGGESTED, EITHER BY USING THE PROVISIONS FOR ECONOMIC AND POLITICAL COLLABORATION CONTAINED IN THE NATO PACT ITSELF, OR BY THE WRITING OF SOME SEPARATE AGREEMENT.

Strauss, for one, is known to believe that export embargoes should cover not only strategically important goods but also any non-strategic goods which might release Russian industrial capacity to produce the materials of war.

THIS CONCEPT COULD BE INTERPRETED TO COVER A VAST NUMBER OF ITEMS--INCLUDING MANY WHICH NOW ARE BEING SOLD TO RUSSIA BY WESTERN EUROPEAN COUNTRIES.

WE/CZ/GG423PES

A45

BY WILTON WYNN (350)

CAIRO, EGYPT, FEB. 1 (AP)--PRESIDENT NASSER'S ANTI-COMMUNIST CAMPAIGN HAS PUT THE RUSSIANS ON TRIAL BEFORE THE ASIAN-AFRICAN WORLD.

SINCE 1955 THE RUSSIANS HAVE GAINED UNPRECEDENTED POPULARITY IN THE ASIAN-AFRICAN BLOC BY THEIR WIDELY TOUTED POLICY OF SUPPORT WITHOUT CONDITIONS. NASSER'S UNITED ARAB REPUBLIC WAS THE BIG SHOWPIECE OF THIS POLICY, CONTRASTING WITH ALLEGED WESTERN EFFORTS TO ATTACH STRINGS TO ITS AID.

THIS POLICY WAS PUT THE TEST IN LATE DECEMBER, HOWEVER, WHEN NASSER DENOUNCED ARAB COMMUNISTS IN A PORT SAID SPEECH AND SPARKED AN AREAWIDE ANTI-COMMUNIST CAMPAIGN.

IN A SPEECH TO THE 21ST COMMUNIST PARTY CONGRESS IN MOSCOW LAST WEEK, SOVIET PREMIER KHRUSHCHEV REMARKED "WE CANNOT REMAIN SILENT" IN THE FACE OF SUCH A CAMPAIGN. NASSER'S PRESS SNAPPED BACK WITH A SHARP WARNING TO KHRUSHCHEV THAT THE WHOLE AFFAIR IS NONE OF HIS BUSINESS AND REMINDED HIM OF HIS BOASTS OF NONINTERFERENCE IN OTHERS' AFFAIRS.

THE RESPONSE WAS, IN EFFECT, A REMINDER TO KHRUSHCHEV THAT HE WILL GET THE SAME TREATMENT AS WESTERN LEADERS IF HE BEGINS ASSAILING U.A.R. LEADERS. Thus, the question now is: WILL KHRUSHCHEV BACK DOWN OR WILL HE TRY TO PRESSURE NASSER INTO CHANGING HIS POLICY?

KHRUSHCHEV HAS SOME POWERFUL WEAPONS BUT NASSER IS NOT ONE TO BUCKLE, AND IN A SHOWDOWN THE RUSSIANS HAVE MORE TO LOSE THAN

NASSER. IF THE RUSSIANS TRY TO USE ECONOMIC PRESSURE ON NASSER, FOR INSTANCE, THEY RUN THE RISK OF BEING BLASTED BY NASSER'S POWERFUL PROPAGANDA MACHINERY, WHICH GETS INSTANT AND OVERWHELMING RESPONSE FROM CASABLANCA TO INDONESIA.

SUCH A DEVELOPMENT WOULD DO MORE THAN ANY OTHER ONE THING TO BREAK THE BACK OF THE SOVIET DRIVE TO WIN OVER THE ASIAN-AFRICAN WORLD.

THERE IS NO REAL INDICATION THAT THE KREMLIN IS PUTTING PRESSURE ON NASSER--YET.

SOVIET AMBASSADOR E. D. KISSELEV LEFT FOR MOSCOW YESTERDAY TAKING WITH HIM U.A.R. RATIFICATION OF THE ASWAN HIGH DAM AGREEMENT. SOVIET ECONOMIC EXPERTS CONTINUE TO ARRIVE IN CAIRO, AND IN EARLY JANUARY THE RUSSIANS GOT A CONCESSION FOR BUILDING A SHIPYARD IN ALEXANDRIA. THEY ALSO DELIVERED THREE NEW SUBMARINES TO THE U.A.R. FLEET AFTER NASSER'S PORT SAID SPEECH.

ON THE OTHER HAND THE U.S.S.R. IS REPORTED TO HAVE TOLD THE EGYPTIANS IT NO LONGER CAN SUPPLY THEM WITH NEWSPRINT, AND UNCONFIRMED REPORTS SAY THE RUSSIANS ARE DRAGGING FEET ON PROMISED SUPPLIES OF WHEAT. THEY ALSO ARE SAID TO BE DELAYING THEIR TECHNICIANS' PRELIMINARY REPORT ON THE HIGH DAM.

DF325PES

A63

(250)

CAIRO, EGYPT, FEB. 1 (AP)--THE CAIRO PRESS HAS OPENED A PROPAGANDA WAR AGAINST PRIME MINISTER ABDEL KARIM KASSEM OF IRAQ.

AL AHRAM DECLARED TODAY KASSEM HAD PROMISED THE BRITISH THAT IRAQ WOULD CONTINUE TO ABIDE BY THE PROVISIONS OF THE BAGHDAD PACT--A HATED ORGANIZATION IN ARAB NATIONALIST EYES--AND HAD AGREED TO ALLOW 700 BRITISH TECHNICIANS TO REMAIN AT HABBANIYA AIR BASE. THE STORY FOLLOWED A SERIES OF "OPEN LETTERS" TO KASSEM PUBLISHED IN THE PAST WEEK.

AL AHRAM SAID KASSEM IS COOPERATING WITH THE BRITISH AND COMMUNISTS IN ORDER TO CURB ARAB NATIONALISTS IN IRAQ.

BRINGING KASSEM DIRECTLY UNDER FIRE IS A NEW DEVELOPMENT, ALTHOUGH RELATIONS BETWEEN KASSEM AND PRESIDENT NASSER HAVE BEEN COOL SINCE SHORTLY AFTER THE IRAQI REVOLUTION. UNTIL LATELY NASSER PRAISED KASSEM IN SPEECHES.

AS KASSEM APPEARED TO LEAN MORE ON COMMUNIST SUPPORT AND CRACKED DOWN ON PRO-NASSER NATIONALISTS, HOWEVER, THE CAIRO PROPAGANDA MACHINERY WENT INTO ACTION.

AT FIRST ITS ATTACK WAS DIRECTED AGAINST IRAQI COMMUNISTS. NEXT ITS GUNS WERE TURNED ON FADEL MAHDawi, PRESIDENT OF IRAQ'S PEOPLE'S COURT. NOW THE TARGET IS KASSEM.

THIS INDICATES NASSER MAY HAVE GIVEN UP HOPE OF RECONCILIATION WITH KASSEM AND THAT HARMONY BETWEEN THE TWO ARAB STATES CAN BE RESTORED ONLY BY A CHANGE OF REGIME IN BAGHDAD.

KASSEM IS REPORTED TO FEAR THAT NASSER IS TRYING TO ABSORB IRAQ IN THE UNITED ARAB REPUBLIC. THE EGYPTIANS DENY THIS BUT SAY THEY WANT CAIRO-BAGHDAD SOLIDARITY TO DEFEND THE ARAB FRONT AGAINST PRESSURE FROM THE WEST AND FROM THE COMMUNISTS.

SG61
SZ454PES

A39WX (BJT)

(600) DULLES- BUDGET
BY JOHN M. HIGHTOWER

WASHINGTON, FEB. 1 (AP)-SECRETARY OF STATE DULLES PLANS TO CONFER WITH SEN. J. WILLIAM FULBRIGHT (D-ARK) BEFORE LEAVING FOR GERMANY POLICY TALKS WITH ALLIED LEADERS IN EUROPE THIS WEEK.

IN THE STATE DEPARTMENT THE MEETING WITH FULBRIGHT IS VIEWED AS HAVING MORE THAN ORDINARY IMPORTANCE BECAUSE IT CONSTITUTES DULLES' FIRST MOVE TO SET UP A CLOSE WORKING RELATIONSHIP WITH THE INCOMING CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE.

SEN. THEODORE FRANCIS GREEN (D-RI) DECIDED LAST WEEK TO STEP ASIDE FROM THE FOREIGN RELATIONS CHAIRMANSHIP BECAUSE OF DEFECTIVE EYESIGHT AND HEARING. FULBRIGHT, WHO WILL SUCCEED HIM AS THE NEXT RANKING DEMOCRAT, HAS BEEN A FREQUENT AND BITTER CRITIC OF DULLES.

DULLES IS TENTATIVELY SLATED TO LEAVE BY AIR LATE TUESDAY, WITH HIS FIRST ROUND OF TALKS SCHEDULED FOR WEDNESDAY IN LONDON. HE WILL SEE FRENCH LEADERS IN PARIS AND WEST GERMAN LEADERS IN BONN BEFORE RETURNING HERE ABOUT FEB. 11. HIS MEETING WITH FULBRIGHT IS EXPECTED TO TAKE PLACE LATE MONDAY.

IN AN AIRPORT INTERVIEW ON RETURNING TODAY FROM A NEW YORK SPEAKING TRIP, DULLES SAID HIS MISSION TO EUROPE WILL DEAL WITH TWO ASPECTS OF THE GERMAN-RUSSIAN PROBLEM, WHICH HAS BEEN THE FOCUS OF EAST-WEST CONFLICT FOR MORE THAN TWO MONTHS AND WHICH THREATENS TO DEVELOP INTO A FULL BLOWN COLD WAR CRISIS IN MAY.

ONE ASPECT, DULLES SAID, "IS THE PROBLEM OF BERLIN AND THE WESTERN REACTION TO POSSIBLE SOVIET MOVES."

"THE OTHER," HE ADDED, "IS THE POSSIBILITY OF HAVING TALKS ABOUT GERMANY WITH THE SOVIET REPRESENTATIVES."

HIS WORDS INDICATED THAT HE WILL BE TALKING WITH PRIME MINISTER HAROLD MACMILLAN OF BRITAIN, PRESIDENT CHARLES DE GAULLE OF FRANCE AND CHANCELLOR KONRAD ADENAUER OF WEST GERMANY IN AN EFFORT TO REMOVE DISAGREEMENT AND ACHIEVE ALLIED HARMONY ON THESE QUESTIONS:

1. WHAT THE WESTERN POWERS CAN HOLD OUT TO RUSSIA--AND TO WORLD PUBLIC OPINION--IN THE WAY OF NEW IDEAS FOR REUNITING GERMANY AND THEREBY RESOLVING THE PROBLEM OF DIVIDED BERLIN.

2. SPECIFICALLY WHAT LINE THE WESTERN GOVERNMENTS SHOULD TAKE IN MAKING SPECIFIC PROPOSALS TO MOSCOW FOR EAST-WEST TALKS ON GERMANY AND POSSIBLY SOME OTHER ISSUES.

3. WHAT MEASURES THE WESTERN POWERS SHOULD TAKE--SUCH AS AN AIRLIFT OR A SHOW OF MILITARY GROUND FORCES--IF A NEW BERLIN BLOCKADE IS SET UP AFTER RUSSIA RELINQUISHES ITS BERLIN OCCUPATION POWERS TO THE EAST GERMAN RED REGIME.

THE STATE DEPARTMENT ANNOUNCED DULLES' TRIP YESTERDAY WHILE HE WAS IN NEW YORK. WHEN HE FLEW BACK TO WASHINGTON TODAY HE WAS ASKED AT THE AIRPORT WHY HE DECIDED TO UNDERTAKE THE MISSION TO LONDON, PARIS AND BONN AND WHAT HE HOPES TO ACCOMPLISH.

"THE SITUATION IS A HIGHLY COMPLICATED ONE," DULLES SAID, "THERE ARE MANY CONTINGENCIES THAT HAVE TO BE PLANNED FOR."

"IT SEEMED AS THOUGH UNDER THE CIRCUMSTANCES IT WOULD BE DESIRABLE TO USE THE VALUABLE ASSET THAT WE HAVE IN THE INTIMATE PERSONAL RELATIONSHIPS THAT HAVE BEEN DEVELOPED BETWEEN THE LEADING GOVERNMENTAL PERSONALITIES OF THE UNITED KINGDOM, FRANCE, WEST GERMANY AND THE U.S.A."

PERSONAL TALKS, HE ADDED, CAN ACCOMPLISH MUCH MORE THAN DIPLOMATIC NOTES.

DULLES WAS MET AT THE AIRPORT BY OFFICE AIDES AND ASST. SECRETARY OF STATE WILLIAM MACOMBER. MACOMBER IS CHIEF OF CONGRESSIONAL RELATIONS FOR THE STATE DEPARTMENT AND HAD THE TASK OF SETTING UP THE DULLES MEETING WITH FULBRIGHT.

DULLES NORMALLY CONFERS WITH PRESIDENT EISENHOWER IMMEDIATELY BEFORE

HE GOES ON A MISSION ABROAD. PRESUMABLY HE WILL SEE EISENHOWER TOMORROW OR TUESDAY. HIS DEPARTURE TIME HAS NOT BEEN ANNOUNCED BUT IS EXPECTED TO BE TUESDAY AFTERNOON WHICH WOULD PUT HIM IN LONDON ON WEDNESDAY FOR TALKS WITH MACMILLAN AND FOREIGN SECRETARY SELWYN LLOYD.

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BRITISH TRADE BUDGET (500)
BY COLIN FROST

LONDON, FEB. 1 (AP)-BRITISH INDUSTRIALISTS, FEARFUL OF AN APPROACHING TRADE WAR, ANNOUNCED TODAY FIRST COUNTER-MEASURES AGAINST EUROPE'S SIX-NATION COMMON MARKET.

AFTER JUST A MONTH'S OPERATION, THE MARKET ALREADY IS HURTING BRITISH MANUFACTURERS. INDUSTRY AND GOVERNMENT FEAR THE OUTLOOK IS BLEAK.

AN INFLUENTIAL GROUP LED BY RAYMOND GORDON OF FAIREY AVIATION ANNOUNCED IT IS FORMING AN ORGANIZATION CALLED THE COMMONWEALTH UNION OF TRADE. ITS AIM IS TO BUILD UP COMMONWEALTH TRADE AS AN INSURANCE AGAINST POSSIBLE LOSS OF EUROPEAN MARKETS.

TOPLINE BRITISH MANUFACTURERS, BIG NAMES IN THE AUTO AND ENGINEERING INDUSTRIES AMONG THEM, ALREADY HAVE LOST SALES OUTLETS CAREFULLY BUILT UP IN EUROPE SINCE WORLD WAR II. THEIR CONTINENTAL AGENTS, DEALERS AND MERCHANTS WHO HAD BEEN IMPORTING BRITISH MACHINES, ARE SWITCHING TO GERMAN PRODUCTS, WHICH THEY BELIEVE WILL BENEFIT MOST FROM THE COMMON MARKET SCHEME.

THE COMMON MARKET STARTED OPERATING JAN. 1 IN FRANCE, GERMANY, ITALY, BELGIUM, HOLLAND AND LUXEMBOURG. THE SIX NATIONS CUT TARIFFS AND INCREASED QUOTAS FOR IMPORTS FROM FELLOW MEMBERS.

ABOUT 12 PER CENT OF ALL BRITAIN'S TRADE IS WITH THE SIX. AND ALTHOUGH IT IS TOO EARLY TO ASSESS DETAILED FIGURES, THE BRITISH ARE CLEARLY ANXIOUS. A SPOKESMAN FOR THE SOCIETY OF MOTOR MANUFACTURERS SAID:

"OUR AGENTS ON THE CONTINENT ARE AS WORRIED AS WE ARE."

"IF AN AGENT IS HANDLING A BRITISH CAR IN FRANCE AND SEES THAT IN 10 YEARS TIME HIS CHANCES OF SELLING IT WILL BE REDUCED, HE NATURALLY GETS WORRIED."

FRANCE IS THE FOCAL POINT OF BRITISH WORRIES. IT HAS MORE BARRIERS AGAINST IMPORTS THAN OTHER MEMBERS OF THE SIX. AND THAT MAKES THE TARIFF-REDUCED GERMAN PRODUCT AN EVEN BIGGER ATTRACTION FOR FRENCH BUYERS.

THE BRITISH STILL ARE PRESSING A RIVAL SCHEME WHICH WOULD EXTEND COMMON MARKET ADVANTAGES TO ALL 17 MEMBERS OF THE ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION. FRANCE IS THE MAIN OBJECTOR TO THIS ALL-EUROPEAN FREE TRADE AREA. ONE OBJECTION IS THAT THE BRITISH, WHILE SEEKING EQUAL TREATMENT IN EUROPE, REFUSE TO GIVE UP THEIR PREFERENTIAL TRADE ARRANGEMENTS WITH THE COMMONWEALTH.

THE NEWLY FORMED COMMONWEALTH UNION OF TRADE WILL BE LARGELY AN ADVISORY GROUP, POOLING KNOW-HOW ON WAYS TO INCREASE SALES. ITS BASIC AIM IS TO REMOVE TARIFFS AND OTHER TRADE BARRIERS SUCH AS IMPORT QUOTAS INSIDE THE COMMONWEALTH.

BUSINESSMEN EXPECT SIMILAR GROUPINGS TO FOLLOW.

THE POWERFUL FEDERATION OF BRITISH INDUSTRIES HAS SENT REPRESENTATIVES FOR TALKS WITH MANUFACTURERS IN SCANDINAVIA, SWITZERLAND AND OTHER COUNTRIES WHOSE PRODUCTS COULD BE HIT. RESPONSIBLE OBSERVERS BELIEVE THE EVENTUAL EFFECT COULD BE TO DIVIDE WESTERN EUROPE INTO TWO TRADE BLOCS.

FAILURE OF FREE TRADE AREA NEGOTIATIONS AND THE RESULTING TOUGHER COMPETITION IN THE COMMON MARKET HAS CAUGHT BRITAIN'S CONSERVATIVE GOVERNMENT AT A BAD TIME.

OFFICIAL FIGURES SOON ARE EXPECTED TO SHOW A SHARP JANUARY INCREASE IN UNEMPLOYMENT OVER THE DECEMBER LEVEL OF 535,000--

ALREADY HIGH FOR BRITAIN. UNEMPLOYMENT IS A HOT ISSUE FOR THE PARLIAMENTARY ELECTION EXPECTED THIS YEAR AND TRADE TROUBLES COULD AGGRAVE IT.

THE AUTHORITATIVE FINANCIAL TIMES REPORTED BRITAIN IS NOT SO FAR PLANNING ANY GOVERNMENT ACTION AGAINST IMPORTS FROM THE EUROPEAN SIX. BUT IT ADDED:

"IT IS CLEAR THAT IF THE DEADLOCK IN THE FREE TRADE AREA NEGOTIATIONS CONTINUES, BRITISH INDUSTRY WILL SEEK--AND GET--SOME FORM OF GOVERNMENT PROTECTION."

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